

820 KAR 1:005. Exempt organizations.

RELATES TO: KRS 238.535

STATUTORY AUTHORITY: KRS 238.515(3), (9), 238.535(2), (13)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 238.535(2) authorizes issuance of an exemption from licensing requirements to organizations meeting all licensing requirements if no special limited charitable games are played and annual gross receipts do not exceed \$25,000. KRS 238.535(2) requires charitable organizations to complete a form notifying the department of its exemption and requires completion of an annual financial report. This administrative regulation establishes the requirements for filing for an exemption and the annual reporting requirements.

Section 1. Form for Exemption. (1) An organization shall submit a complete, accurate, and verifiable Form CG-Exempt, Organization Grossing Under \$25,000 Application for Exemption, at least thirty (30) days prior to the expected date of gaming.

(2) The form shall not be considered complete until all deficiencies are resolved.

(3) If the organization does not respond to a deficiency request within thirty (30) days, the form shall be deemed withdrawn, and the organization shall not game.

(4) If the organization has submitted a complete form, and meets the requirements for licensure prescribed in KRS Chapter 238, the department shall issue a Notification of Exemption.

(5) The organization shall not be required to file an additional exemption request form with the department if the gaming activities of the charitable organization remain exempt.

(6) The organization shall notify the department of any changes in the information contained on the form within thirty (30) days.

(7) An organization possessing a Notice of Exemption shall file an annual report with the department before January 31 of each year. This report shall be filed on Form CG-EFR, Annual Financial Report For Exempt Organization. The report may be filed electronically.

Section 2. Incorporation by Reference. (1) The following material is incorporated by reference:

(a) Form CG-Exempt, "Organization Grossing Under \$25,000 Application for Exemption", 5/15; and

(b) Form CG-EFR, "Annual Financial Report For Exempt Organization", 5/15.

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Department of Charitable Gaming, Public Protection Cabinet, 132 Brighton Park Boulevard, Frankfort, Kentucky 40601, Monday through Friday, 8 a.m. to 4:30 p.m. (32 Ky.R. 796; 1270; 1633; eff. 3-31-2006; 40 Ky.R. 1459; eff. 4-4-2014; 42 Ky.R. 916; eff. 1-4-2016.)